

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

(All amounts in RMB millions)

	Year ended 31 December	
	2024	2023
Cash flows from operating activities		
Cash generated from operations	94,435	106,022
Interest received	1,981	2,105
Interest paid	(1,797)	(1,906)
Income tax paid	(5,217)	(3,830)
Net cash inflow from operating activities	89,402	102,391
Cash flows from investing activities		
Purchase of property, plant and equipment, right-of-use assets and other assets	(75,740)	(79,375)
Proceeds from disposal of property, plant and equipment and other assets	1,976	1,388
Acquisition of financial assets measured at fair value through profit or loss ("FVPL")	(1,062)	(1,230)
Proceeds from disposal of financial assets measured at FVPL	1,316	1,707
Acquisition of debt securities measured at FVOCI (recycling)	(6,020)	(22,980)
Proceeds from disposal of debt securities measured at FVOCI (recycling)	22,330	17,397
Decrease/(increase) in other financial assets measured at amortised cost	15	(5,424)
Dividends received from financial assets measured at FVOCI (non-recycling)	156	159
Acquisition of interest in associates	(65)	(776)
Acquisition of interest in joint ventures	(87)	(5)
Acquisition of a subsidiary	(4)	—
Proceeds from disposal of associates and joint ventures	—	400
Dividends received from associates	1,772	1,246
Dividends received from a joint venture	360	150
Placement of bank deposits and restricted deposits	(42,219)	(11,015)
Release of short-term bank deposits and restricted deposits	13,016	12,815
Lending by Unicom Group Finance Company Limited ("Finance Company") to a related party	(8,400)	(5,700)
Repayment of loans from a related party to Finance Company	8,000	5,700
Net cash outflow from investing activities	(84,656)	(85,543)

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	Note	Year ended 31 December	
		2024	2023
Cash flows from financing activities			
Capital contributions from non-controlling interests		22	386
Proceeds from bank loans		947	711
Loans from related parties		546	583
Repayment of short-term bank loans		(680)	(330)
Repayment of long-term bank loans		(440)	(385)
Repayment of commercial papers		—	(5,000)
Repayment of related party loans		—	(913)
Capital element of lease rentals paid		(12,887)	(12,103)
Dividends paid to equity shareholders of the Company		(11,683)	(9,546)
Net deposits with Finance Company		999	949
(Increase)/decrease in statutory reserve deposits placed by Finance Company		(874)	1,542
Repayment of other obligations		(14)	(409)
Net cash outflow from financing activities		(24,064)	(24,515)
Net decrease in cash and cash equivalents		(19,318)	(7,667)
Cash and cash equivalents, beginning of year		47,733	55,297
Effect of changes in foreign exchange rate		65	103
Total cash and cash equivalents, end of year	29	28,480	47,733
Analysis of the balances of cash and cash equivalents:			
Cash balances		—	—
Bank balances		28,480	47,733
		28,480	47,733

The notes on pages 102 to 209 are an integral part of these consolidated financial statements.

The reconciliation of profit before income tax to cash generated from operations is as follows:

	Year ended 31 December	
	2024	2023
Profit before income tax	25,254	22,945
Adjustments for:		
Depreciation and amortisation	83,392	84,847
Interest income	(1,981)	(2,105)
Finance costs	1,733	1,956
(Gain)/loss on disposal of property, plant and equipment	(2,827)	1,181
Impairment losses under expected credit loss ("ECL") model and write-down of inventories	7,275	6,356
Dividends from financial assets measured at FVOCI (non-recycling)	(156)	(159)
Gains on disposal of financial assets measured at FVPL	(17)	(14)
Gains on disposal of financial assets measured at FVOCI (recycling)	(1)	(1)
Dividends from financial assets at FVPL	(10)	(2)
Investment income from debt securities measured at FVOCI (recycling)	(385)	(424)
Investment income from debt securities measured at amortised cost	(23)	—
Fair value gains on financial assets measured at FVPL	(49)	(114)
Share of net profit of associates	(2,592)	(2,519)
Share of net profit of joint ventures	(1,481)	(1,803)
Expenses for restricted shares of A Share Company granted to the Group's employees	247	282
Changes in working capital:		
Increase in accounts receivable	(27,132)	(18,212)
Decrease/(increase) in contract assets	14	(28)
Increase in contract costs	(7,400)	(8,498)
Increase in inventories	(377)	(94)
(Increase)/decrease in restricted deposits	(70)	278
Decrease/(increase) in other assets	266	(199)
Increase in prepayments and other current assets	(1,294)	(193)
Increase in amounts due from ultimate holding company	(80)	(4)
Increase in amounts due from related parties	(802)	(123)
Increase in amounts due from domestic carriers	(2,119)	(323)
Increase in accounts payable and accrued liabilities	20,870	12,124
Increase in other taxes payable	435	515
Decrease in advances from customers	(76)	(100)
Increase in contract liabilities	573	1,465
(Decrease)/increase in deferred revenue	(870)	1,464
Increase/(decrease) in other obligations	55	(49)
(Decrease)/increase in amounts due to ultimate holding company	(39)	25
Increase in amounts due to related parties	2,902	6,714
Increase in amounts due to domestic carriers	1,200	834
Cash generated from operations	94,435	106,022

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